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CONGRESSIONAL RECORD — SENATE

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Inflation

Opponents of indexing claim that, if taxpayers are protected from the harmful effects of inflation induced bracket creep, the resolve to fight inflation will weaken. Indexing supporters counter that the reverse is true. Without indexing, the government has an incentive to encourage inflation since it receives the tax windfall from bracket creep. Indexing takes away this incentive by eliminating the windfalls.

CONCLUSION

Indexing provides, at long last, a tax break for the little guy. It introduces an extraordinary measure of fairness into the U.S. tax system. Indexing also preserves the integrity of the American democratic process. It means that if Congress desires higher taxes, each member must go on record and vote to increase taxes openly and deliberately. No longer can Congress depend on the subterfuge of bracket creep to raise taxes silently.

Indexing does not mandate a level of government spending nor does it freeze revenues at a specific level. It is simply a procedural reform to guarantee tax honesty by the nation's legislators. The integrity of American democratic institutions and elementary notions of fairness are at stake.

Yet some Republicans and Democrats want to eliminate indexing—ironically, in the name of fairness. But is it fairness when tax rates once reserved for the rich are imposed on middle- and even lower-income taxpayers? Is it fair that the federal government gains from inflation at the expense of those American working men and women least able to pay? Is it fair that Congress can raise taxes without recording a vote? Is it fair that Congressmen claim credit for cutting taxes when they are simply returning some of the revenue bonus from the inflation tax? Of course not. If Congress repeals indexing, it will overturn one of the fairest and most beneficial tax reforms in recent U.S. history. The little guy needs a tax break. Congress and President Reagan gave it to him in 1981. It would be unfair for Congress to take it back.

RECOGNITION TO CALIFORNIA REPUBLICAN ASSEMBLY

● **Mr. WILSON.** Mr. President, I would like to enter into the Record a testimonial on a very distinguished occasion, the 50th anniversary in my home State of the California Republican Assembly.

CRA celebrates its golden anniversary this week on April 9, a half century of grassroots involvement at all levels and testimony to the fact that if concerned men and women get together they can impact their government and their lives.

CRA and its 50-year involvement is in the best tradition of American politics. These people have given their time and energies to their cause because they are devoted to and believe in America. They are more than just concerned about the direction of the country; they actually get involved and try to affect change.

Twenty of the 25 past CRA presidents will be gathered together this coming Saturday for this very special day to celebrate what will surely be only a half-way point in a century of service to the country. I will celebrate

this special occasion with them. As all of California celebrates with them.

BERNARD E. HANUS RETIRES

● **Mr. LEVIN.** Mr. President, I would like to take this opportunity to pay tribute to a longtime friend, Bernard E. Hanus, who is retiring as the director of administration of the Wayne County Board of Commissioners. Bernie is retiring after an impressive 31 years with Wayne County government in my home State of Michigan.

In 1952, Bernie left Ford Motor Co. to enter county service as a clerk in the Office of Board of Supervisors; 2 years later, he was appointed to the position of administrative assistant. Moving up the ladder of Wayne County governmental responsibility, he held the positions of administrative analyst, assistant committee clerk, and committee clerk before stepping in as director of administration 13 years ago. Bernie has also served as a member and chairman of the Detroit Wayne joint building authority since 1974.

A native of the Detroit area, Bernie is a graduate of the University of Detroit and has done postgraduate work at Wayne State University. He was also an associate of urban affairs at the National Institute of Public Affairs. He served in the U.S. Army.

In addition to Bernie's contributions to Wayne County government, he has been actively involved in both educational and professional organizations. He has served as member and president of Our Lady Queen of Peace Roman Catholic school board. He is a life member of AMVETS Post No. 33 and has previously served as post commander. Bernie has also found time to sit on the board of directors for the Wayne County Employee's Credit Union. Bernie's retirement will provide him with additional time to devote to his interests in travel, continuing adult education, reading, volunteer activities, and his family—his wife, Beverly, and their five children and two grandchildren.

Throughout his government career, Bernard E. Hanus has exemplified the characteristics of an effective public servant—diligent, concerned, innovative, and involved. I am pleased to pay this tribute to Bernard E. Hanus of Wayne County, Mich., and I congratulate him on a successful government career.

RETIREMENT PROGRAMS FOR THE INTELLIGENCE COMMUNITY

● **Mr. DURENBERGER.** Mr. President, when we debated the Social Security Amendments of 1983, we were well aware of the concerns expressed by Federal workers. Much of that concern should be allayed by the provision that:

Nothing in this Act shall reduce the accrued entitlement to the future benefits

under the federal retirement system of current and retired Federal employees and their families.

Even with this provision, it is essential for each Member of this body to reassure Federal employees of our commitment to insuring their retirement income. The Governmental Affairs Subcommittee on Civil Services, Post Office, and General Services, under the able leadership of the assistant majority leader, will soon address the need to restructure Federal retirement systems affected by this act.

Mr. President, when the full Governmental Affairs Committee considers Federal retirement plans, the committee must be especially sensitive to the need to maintain the integrity of retirement systems for our intelligence personnel. Intelligence is truly the first line of defense for our country, and we cannot afford to let it deteriorate.

Our intelligence officers must always be the cream of the crop. They need skills in foreign languages and cultures; knowledge of political, economic, and military affairs; administrative ability; and often both mental and physical stamina. The Government cannot offer top salaries even to such highly skilled people. We rely largely on their sense of duty.

A major inducement to these people, Mr. President, is the ability to take early retirement in time to have a second career. Retirement at age 55 with 30 years service—or at age 50 with 20 years service, for most overseas employees of the CIA—is a crucial incentive to top-flight personnel who could easily make more money outside the Government.

Early retirement serves other purposes as well. It enables our intelligence agencies to bring in new blood. It lets them give promotions to younger personnel who have the drive and energy that the exhausting world of intelligence demands. Age brings wisdom, but our intelligence agencies also need hustle. They need early retirement systems—including the CIARDS system for CIA's overseas personnel—to keep performing the difficult and crucial tasks that America entrusts to them.

Mr. President, it is too early to say exactly what a restructured Federal retirement system will look like. But I can assure the fine men and women of our intelligence community that my service on the Select Committee on Intelligence has made me well aware of how much we depend upon them. I am determined that they, in turn, will be able to depend upon us.

A BANKER'S VIEWPOINT

● **Mr. RIEGLE.** Mr. President, Howard L. Gay is vice chairman of the Citizens Commercial & Savings Bank of Flint, Mich. Over the years he has done a considerable amount of thinking and writing about the American